

Before the  
Federal Communications Commission  
Washington, DC 20554

In the Matter of Exclusive Service Contracts for Provision of Video Services in Multiple Dwelling  
Units and Other Real Estate Developments

MB Docket No. 07-51

Reply to the Comments of Verizon

I.

Verizon proposes that the FCC temporarily prohibit exclusive contracts just long enough for it to enter the market, and then allow exclusive contracts, once it becomes a more dominant player, and is ready to use exclusive contracts to keep out its competitors.

This is obviously a self-serving strategy.

If the FCC does not act, current holders of exclusive contracts will remain the exclusive providers and Verizon will be unjustly kept from doing business with persons living on or in property subject to the existing exclusive contracts. Verizon correctly opposes this.

If the FCC permanently prohibits exclusive contracts, as I feel it should, Verizon will be able to enter the market and compete with the holders of the existing contracts, as will companies that enter after Verizon. Customers will be able to select whichever of these competing companies best serves their needs. However, this will not satisfy Verizon, because other companies will be able to enter the market after Verizon and compete with Verizon.

Instead, Verizon hypocritically demands that the FCC abrogate existing contracts held by the companies that entered before Verizon, but then allow exclusive contracts so that Verizon can use exclusive contracts to stop other companies from entering after Verizon. In this case, Verizon will replace the current players as the dominant holder of the exclusive contracts, but customers will see no benefit: they will still have only one choice.

Verizon seeks to have its cake and eat it too. This would be less objectionable if the cake were truly Verizon's. However, this cake (the right to select a service provider) belongs to the American people and to the consumers of the services, not to the property owners or the service providers. In other words, Verizon seeks to have my cake, and eat it too.

II.

If Verizon's demand that exclusive contracts be prohibited now is granted, this will make it even more important not to allow exclusive contracts in the future. Although it is unfortunate that some landlords unethically enter into exclusive contracts before a property is leased, forcing tenants to abide by exclusive contracts created after they have occupied the property is even worse. While I am somewhat sympathetic to persons who unwisely moved into buildings that already had exclusive contracts, it is presently possible for wise consumers who desire to select a service provider to ask prospective landlords whether a building has an exclusive contract and rent only from landlords with the integrity to refuse to enter into exclusive contracts. They also have the option of selecting a building with an exclusive provider that meets their needs, and whose contract lasts long enough to ensure that another exclusive provider will not be selected during the tenancy. However, once exclusive contracts have been temporarily prohibited, tenants will have no way of ensuring that the landlord will not later enter into an exclusive contract with a provider who is unacceptable to the tenant.

III.

Although I disagree with many of the other commenting parties, most of them have at least taken internally consistent positions. I respect them for doing so and recognize that reasonable persons may disagree. However, Verizon seems have taken an intentional inconsistent position calculated to ensure that it does not have to obey the same rules as it seeks to impose on its competitors. I hope that the FCC penalizes Verizon for its hypocrisy by allowing contracts to exclude Verizon, but prohibiting contracts from excluding any Verizon's competitors. If this is legally impossible, then it should at least permanently prohibit exclusive contracts for everyone, especially Verizon.